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CURRENT INTELLIGENCE WEEKLY SUMMARY



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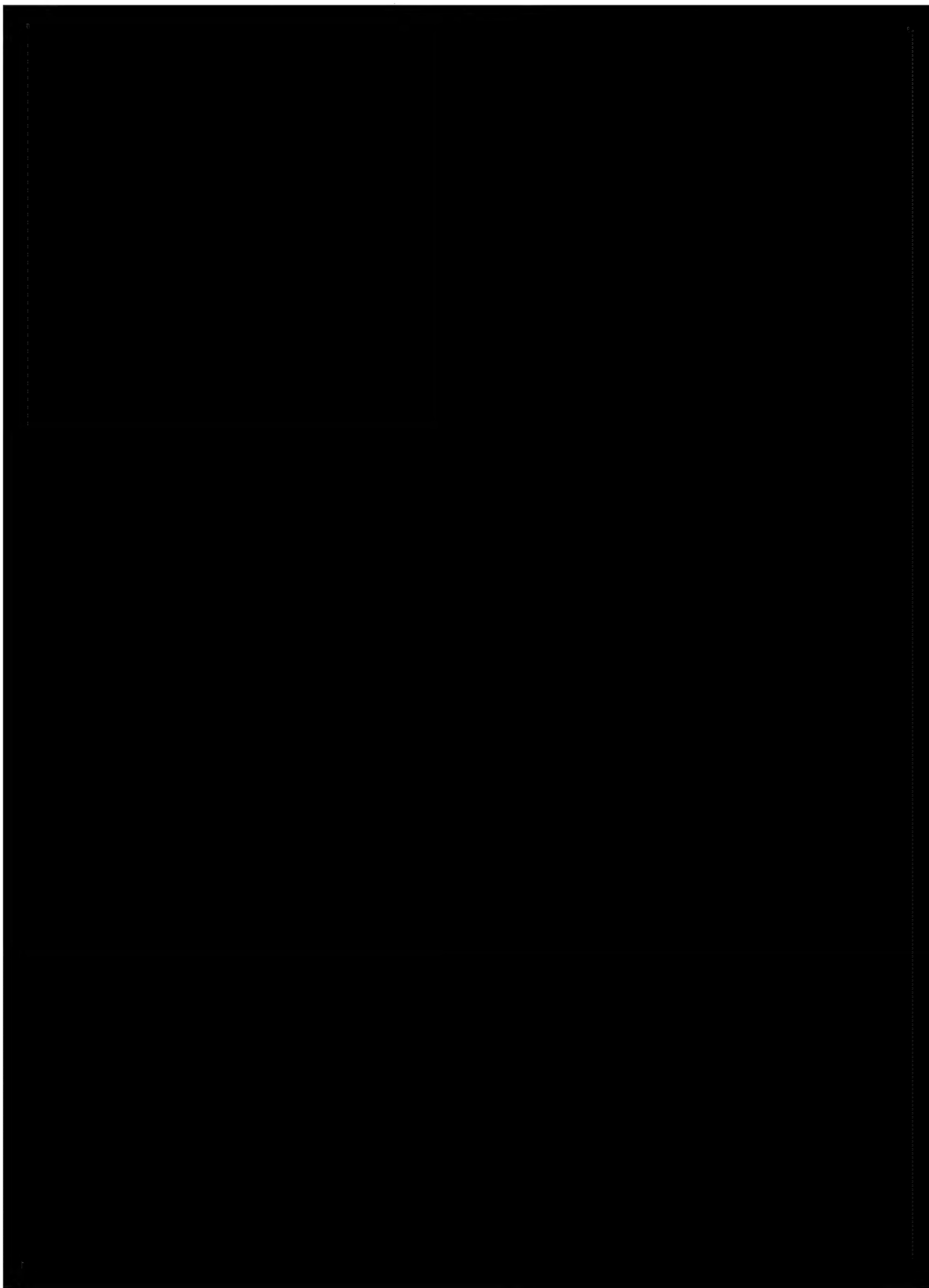
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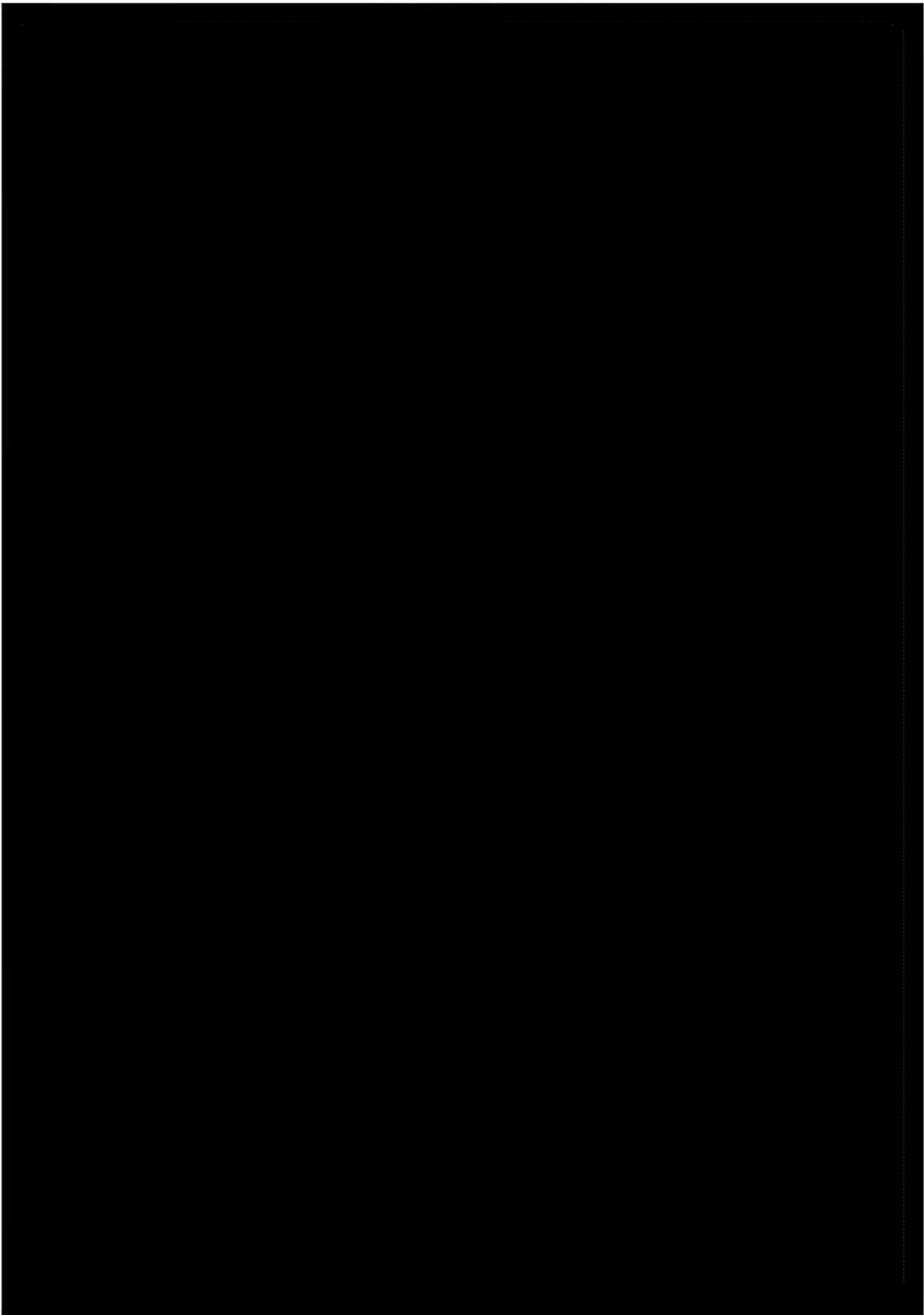
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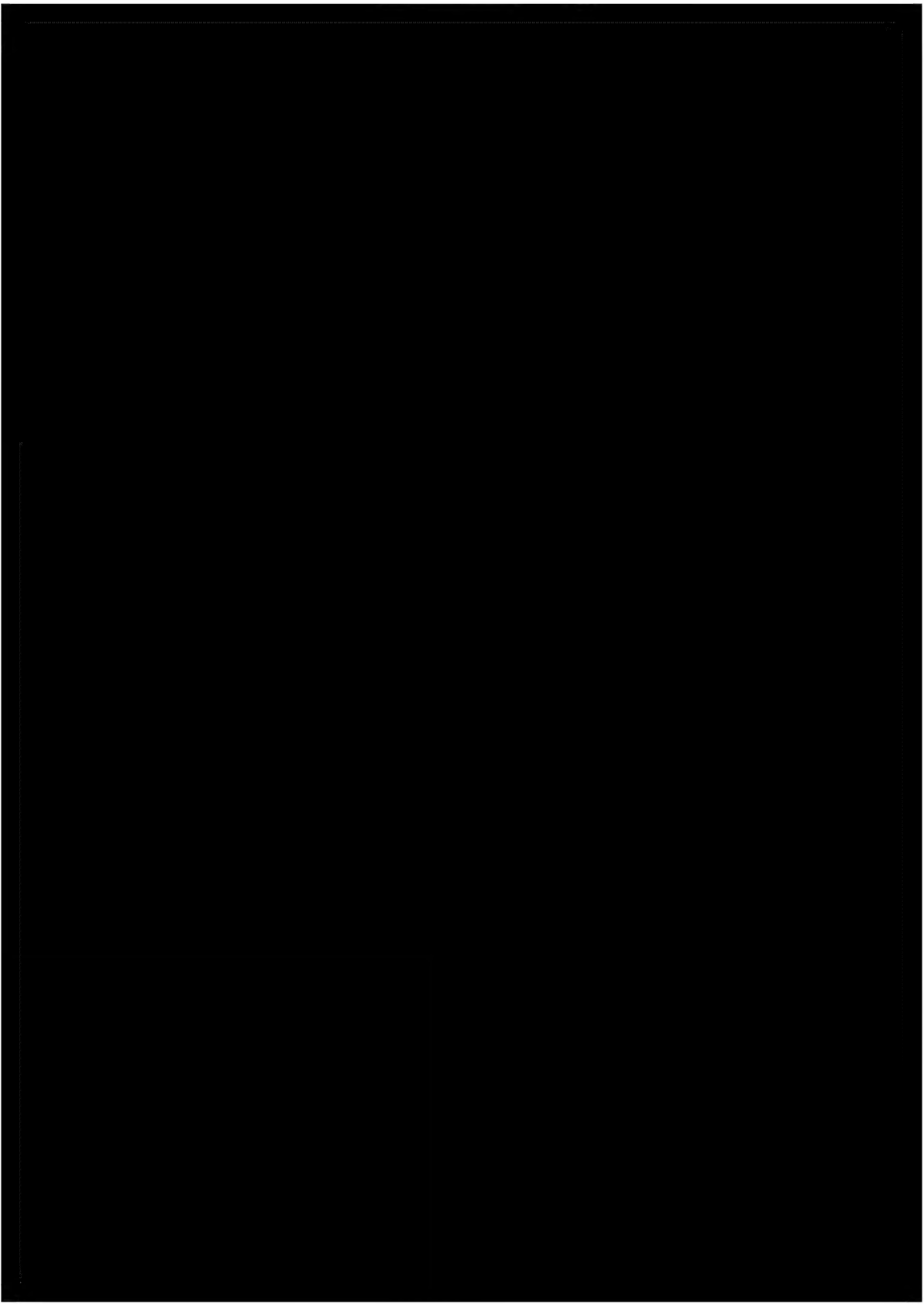


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SOUTH KOREAN LEADER PAK CHONG-HUI Page 7

Lt. Gen. Pak Chong-hui, chairman of South Korea's military junta, will visit Washington in mid-November. Pak and his associates are pledged to eliminate long-accepted political and economic abuses but are not prepared by training or experience to cope with the country's complex economic difficulties. Pak is described by the US Embassy as an able leader; he has yet to establish public support, however, and his position depends on maintaining a balance among the factions in the junta. He is strongly nationalist and reluctant to accept foreign advice, particularly on political and military matters.

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CURRENT INTELLIGENCE WEEKLY SUMMARY

JAPANESE - SOUTH KOREAN RELATIONS

A possible mid-November meeting between Japan's Prime Minister Ikeda and South Korea's junta leader Pak Chong-hui raises the prospect of a major breakthrough in the long, fruitless efforts by the two countries to normalize their relations. An impromptu mission to Tokyo in late October by South Korean security chief Kim Chong-pil, Pak's principal lieutenant, apparently has paved the way for Pak to stop in Tokyo for discussions with Ikeda while en route to Washington for a visit.

The main factor of South Korean interest in a quick settlement appears to be the need of Japanese assistance for the military government's economic programs. In addition to disagreement between Tokyo and Seoul about the amount of such assistance, however, there is the important Oriental question of "face" involved in the dispute over whether or not Japan is obligated to compensate Korea for Japanese rule from 1905 until 1945.

Korean claims against Japan cover broad categories, both government and private, including demands for reimbursement for Korean savings accounts, the Bank of Korea gold reserves, national art treasures, ships, and corporate investments--all of which the Japanese are accused of removing from Korea. The claims also include demands for compensation to Koreans subjected to forced labor by the Japanese and to families of Koreans killed and wounded in Japanese military service and labor battalions in World War II. While denying the legality of these claims, Tokyo apparently is willing to

consider grants up to \$350,000-000. Seoul recently proposed \$800,000,000 as a negotiating figure.

It is doubtful, in any case, that Tokyo would extend more than token assistance in the absence of substantive progress on other problems about which Seoul seems less concerned. Tokyo is anxious for the abolition or modification of the South Korean prohibition against Japanese fishing inside the Rhee Line--which encloses an area between 20 and 200 miles off the Korean coast. South Korean patrol vessels have seized at least seven Japanese fishing boats in the vicinity of this line since the military coup d'etat on 16 May.

Korean distrust of the Japanese remains deep, especially among the younger military officers on whom Pak Chong-hui depends for support. In Tokyo, too, there are important obstacles to a settlement stemming from the divided opinion within the ruling party about Korean policy and from the possibility that the Socialists may exploit underlying Japanese disdain toward the Koreans to provoke opposition against the government.

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It is doubtful that either government fully appreciates the other's political handicaps in this respect; the South Korean vice foreign minister told [REDACTED]

[REDACTED] in late September that if current efforts for a settlement failed, South Korea would not make another attempt "for some years to come." [REDACTED]